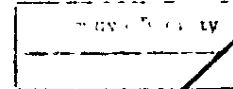


The Deputy Director of Central Intelligence

Washington, D.C. 20505



MEMORANDUM FOR: The Honorable William P. Clark
Assistant to the President for
National Security Affairs

SUBJECT: NSDD on Commercialization of Expendable Launch Vehicles
(ELVs)

1. As requested, we have reviewed the draft NSDD on commercial ELVs. We fully concur with the basic goals of US space launch policy as stated in this draft policy statement, and recommend that the USG proceed with commercialization of ELVs as quickly as possible. With one exception, as further noted below, we agree with the content and policy direction of the draft NSDD and the Implementing Guidelines. (U)

2. Our exception concerns the NSC Staff change on Page 2 of the draft NSDD concerning encouragement of competition among various systems and equitable treatment of all commercial operations. While we do not disagree with either concept, the sentence is ambiguous in terms of intent and the legal obligations it places on USG actions related to commercial ELV operations. We have devised alternative wording (see Attachment). The changed sentences now emphasize free-market competition versus implied competitive bidding and add broad qualifications concerning any government obligation to conduct a competitive bid process for the sale or lease of equipment or facilities. The language and framework we are suggesting for USG actions is drawn from existing administration policy in NSDD-50. (U)

3. It is important to minimize unfavorable Congressional and Press reaction to the proposed Presidential ELV commercialization initiative. The SIG(Space) Working Group on Commercial Launches should be tasked to coordinate planning for agency interaction with the Congress and Press on this issue. (U)

4. Because of the importance of these issues and those that I understand will be raised by other agencies, I recommend that this subject be added to the agenda of the 3 May 1983 IG(Space) meeting. (U)

John N. McMahon

Attachment:
Alternate Wording